

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE SOLUTIONS
ADMINISTRATOR'S MEMO SERIES

NOTICE 01-05

ISSUE DATE: 04/12/2001
DISPOSAL DATE: Ongoing

RE: Customer Service Initiatives
for Family Medicaid

To: All Income Maintenance and W-2 Agencies

From: Eric Baker /s/
DWS Administrator

Peggy Bartels /s/
DHCF Administrator

This memo provides information about the design of program simplification strategies, including the plans to expand application options on July 1, 2001, for Family Medicaid.

A Medicaid outreach effort was initiated in 1997 by the Departments of Health and Family Services (DHFS) and Workforce Development (DWD) to:

- Increase enrollment in Family Medicaid;
- Promote well-informed decision making by consumers, administering agencies, providers, and policy makers about eligibility for Medicaid and how to apply; and
- Establish the foundation for implementing BadgerCare.

This outreach effort was designed with multiple components, including new public information materials, an expansion of service at the Medicaid recipient hotline, support for outstations, coordination with other supportive services, training for eligibility workers and for staff of community agencies and health care providers, technical assistance, targeted efforts in Milwaukee, and program simplification strategies for Medicaid and BadgerCare.

In recognition of the success of the program in reaching previously uninsured families, current outreach efforts are now more targeted. The focus is on reaching the remaining families who have never applied for Medicaid or BadgerCare, especially immigrant families, higher-income families, and those with adolescents. These efforts are coordinated with the "Covering Kids" project in Wisconsin, funded by the Robert Wood Johnson Foundation. In addition, we continue to look for ways to make eligibility and enrollment as simple as possible for customers and to reduce administrative costs.

Over the past three years, DHFS and DWD have taken a number of steps to simplify and improve program administration, including creating the technical capacity for outstations, funding for outstation demonstration projects, establishing policies and procedures for handling applications and other contacts at outstations, improving Client Assistance for Reemployment and Economic Support (CARES) processing for BadgerCare premium collections, and establishing an option to the customer to handle reviews by mail. The timing of the review requirement for Medicaid and BadgerCare has also been changed, from six months to twelve months, and a redesign of CARES notices has just been implemented, so eligibility decisions are communicated more clearly.

Beginning July 1, 2001, applicants will have the option to apply for Medicaid/BadgerCare by mail, as is now done in 38 other states. At the same time, verification policies will be updated for Medicaid to reduce the number of items that must be verified routinely.

These policy changes will be monitored to assure that program integrity goals are met. This strategy is very consistent with direction from the federal Health Care Financing Administration (HCFA) to states to remove barriers in the application process. A recent letter to State Medicaid Directors from HCFA (#01-015) that describes the federal perspective is attached.

These changes to application and verification policies and procedures are intended to:

- Improve program participation and customer service by making it more convenient to apply.
- Maintain health care coverage through Medicaid/BadgerCare for eligible families.
- Satisfy federal requirements and respond to concerns raised by advocates and health care providers.
- Maintain program integrity.
- Reduce administrative costs by saving case processing time.

In addition, we want to ensure that any changes that are made to the Medicaid program encourage continued participation in the Food Stamp program. Therefore, DHFS and DWD staff are working together on the planning and implementation for the Medicaid mail-in option for applications in the context of the program goals for both Medicaid and food stamps. There will be new informing materials for customers and changes to CARES in terms of the verification fields and how they work, as well as improvements to how data is reported from third party matches. A field test of the new policies and procedures will be done with the help of Dane County. Training and policy documentation will be available this spring.

We welcome your advice on these initiatives and will work with the Income Maintenance Advisory Committee to implement this and other program simplification strategies and to address issues raised by local agencies.

REGIONAL OFFICE CONTACT: Area Administrator

Attachment

ATTACHMENT

SMDL #01-015

January 19, 2001

Dear State Medicaid Director:

We are writing this letter to address concerns expressed by some Medicaid Directors that implementation of Medicaid simplification strategies could lead to a higher Medicaid error rate and possible federal disallowances.

We share the States' view that program integrity remain a high priority for the Medicaid program. However, we do not believe that such concerns need be a barrier to program simplification. The record to date shows that both goals are compatible and achievable. Over the past several years, the combined efforts and effective partnership of States, the Health Care Financing Administration (HCFA), the Office of the Inspector General (OIG), and others has been successful in reducing improper payments and combating fraud. At the same time, the national average Medicaid eligibility error rate has been below two percent for over ten years, and no State has been subject to disallowances for more than six years resulting from erroneous eligibility determinations. Many States have taken significant steps to simplify their enrollment and retention procedures, without any apparent impact on their error rates.

HCFA and OIG have a common interest in ensuring that all aspects of the Medicaid program work well. Eligibility determinations and program effectiveness work in concert. It is just as unacceptable to deny eligibility to program benefits as a result of complicated and burdensome application and retention procedures as it is to enroll ineligible individuals. Program integrity and accurate and efficient eligibility determinations go hand in hand.

Both HCFA and OIG want all eligible people to be enrolled in the Medicaid program in the most simplified process possible within a strong program integrity environment. The concept of program integrity includes efforts to provide benefits effectively and efficiently to eligible individuals. State initiatives to streamline verification requirements, use simplified mail-in forms at the point of enrollment and at reenrollment, and rely on information available through other programs and on post-eligibility data matches, can be consistent with program integrity goals.

Our views on program integrity are consistent with the National Medicaid Fraud and Abuse Initiative and are shared by members of Congress as well as the General Accounting Office (GAO). Furthermore, while Congress is properly concerned about the potential for fraud, waste and abuse in both Medicaid and Medicare, recent legislation expanding States' options for promoting enrollment of children demonstrates that there is broad support of State efforts to simplify Medicaid application and retention procedures in ways that are designed to promote the enrollment of eligible individuals. HCFA's efforts to encourage Quality Control pilot projects, which allow States to focus on quality control issues that they believe are most pressing in their State, offer further support to State efforts to simplify enrollment procedures. We encourage you to visit HCFA's webpage to learn more about pilots at <http://www.hcfa.gov/medicaid/regions/mqchpg.htm>.

The collaborative efforts of State and Federal agencies have proven to be successful in ensuring program integrity in the Medicaid program. We believe that we can achieve continued

success as we balance the need to minimize improper payments and the incidence of fraud with the important goal of simplifying program administration and ensuring that all eligible persons receive the coverage to which they are entitled. HCFA and OIG are committed to working with you to that end.

Please direct any questions to your servicing HCFA regional office.

Sincerely,

Timothy M. Westmoreland
Director
Center for Medicaid and State Operations

Michael Mangano
Acting Inspector General
Office of the Inspector General

cc:

HCFA Regional Administrators

HCFA Associate Regional Administrators for Medicaid and State Operations

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